



Press Release

Ujjivan Financial Services consolidated FY 2016-17 Net Profit increase 17.18% to ₹207.67 crore

The Board has recommended a dividend at the rate of 8% for the FY2016-17

Bengaluru, April 27, 2017: Ujjivan Financial Services Ltd. [BSE: 539874; NSE: UJJIVAN], the promoter of its 100% subsidiary “UJJIVAN SMALL FINANCE BANK”, today announced its consolidated financial performance for the quarter ended March 31, 2017, and for the FY 2016-17.

Summary of Financial Performance – FY 2016-17:

- 👉 All the financials indicated are consolidated numbers
- 👉 Total Income at ₹1,397.62 crore for FY 2016-17, an increase of 36.01% over FY 2015-16
- 👉 Net Profit at ₹207.67 crore for FY 16-17; an increase of 17.18% over FY 15-16
- 👉 NII at ₹687.41 crore in FY 16-17, Increase of 34.80% over FY15-16
- 👉 NIM at 12.57% in FY 16-17 increased from 12.23% in FY 15-16
- 👉 Cost to Income ratio at 53.81% in FY 16-17, increased from 50.99% in FY15-16
- 👉 EPS for FY 16-17 at ₹17.76
- 👉 For FY 16-17- RoAA at 2.92% and RoAE at 14.07%

Mr. Samit Ghosh, MD & CEO, Ujjivan Small Finance Bank said, “We have started our banking operations in February and the transition is progressing as per our plan. We have converted 15 branches by March 17, and plan to add 15 branches by early May. We further plan to convert 171 branches this year and 53 URCS will be opened. Coming year, our focus will be on successful roll out of banking services to the chosen branches, build Retail & Bulk deposit business to reduce our finance cost. We plan to leverage on all the investments we have made in IT & Infrastructure.

We are still recovering from the portfolio issues related to demonetization. We have a focused approach in affected areas and have a task force working on bringing collection back to normal. In states where situation has come back to normal, we have resumed our regular business and are building on new customer acquisition as well. In addition to this, cost control and minimizing credit losses will be our key priority. We have seen significant improvement in both our portfolio quality & loan disbursements starting from March.”

Summary of Financial Performance – Q4 FY 16-17

- 👉 All the financials in this presentation are consolidated numbers
- 👉 Total Income at ₹340 crore, an increase of 14.10% over Q4-FY16 and decrease by 8.43% over Q3-FY17
- 👉 Net Profit at ₹19.35 crore; a decrease of 64.76% over Q4-FY16 and 55.96% over Q3-FY17
- 👉 NII at ₹128.31 crore, decrease of 15.53% over Q4-FY16 and 35.52% over Q3-FY17
- 👉 NIM at 8.61% in Q4-FY17 decreased from 12.65 % in Q4-FY16 and 13.22% in Q3-FY17
- 👉 Cost to Income ratio at 76.69% increased from 48.77% in Q4-FY16 and 49.33% Q3-FY17
- 👉 EPS for Q4 FY17 at ₹1.62;
- 👉 For Q4 - RoAA at 0.99 % and RoAE at 4.44%

Commenting on the performance of the company **Ms. Sudha Suresh, MD & CEO Ujjivan Financial Services** said, “The annual performance has been quite satisfactory, considering the significant challenges post demonetisation. We have managed our collection efficiencies quite well and are amongst one of the best in the industry. With demonetisation, the situation is stabilizing across regions and improvement in recoveries, the cumulative repayment rate stands at 96.72%.

On the borrowing side, there have been significant improvements in terms of lower marginal costs of borrowing for term loans and NCD'S. Thus, for FY 17 our average cost of debt has reduced to 10.63% and marginal cost of debt stand at 9.67%.

The Q4 profits were mainly impacted due to increased operating cost on account of transition to SFB. Further the yield has also got impacted due to investments and reserves for the SLR & CRR, which was complied with from the inception of banking operations. We expect the impact of the higher operating expense and credit costs to continue for the next couple of quarters. However our growth trajectory will continue on a sustained mode”

Operating Highlights

- 🔥 Gross Loan Book at ₹6,379.49 crore; growth of 18.39 % over Q4-FY16 and decrease of 3.16% over Q3-FY17
- 🔥 Managed portfolio as on March 31, 2017 at ₹508.33 crore
- 🔥 Net Loan Book at ₹5,871.16 crore; growth of 15.93 % over Q4-FY16 and decrease of 2.9% over Q3-FY17
- 🔥 Disbursement for FY 16-17 at ₹ 7,132.28 crore; increase of 7.75% over FY 15-16
- 🔥 Disbursement for Q4 at ₹1,406.95 crore; decrease of 32.68 % over Q4-FY16 and 15.39% over Q3-FY17
- 🔥 Total borrowers stands at 35.67 lakh
- 🔥 GNPA at 0.28% and NNPA at 0.03%
- 🔥 PAR>90 at 3.69% and PAR>0 at 9.88%

About Ujjivan Financial Services Limited:

Ujjivan Financial Services, is the promoter and non-operative holding company of its 100% subsidiary “Ujjivan Small Finance Bank”, which has started the banking operations from February 2017. Ujjivan SFB serves over 35 lakh active customers through 457 branches and 10,167 employees spread across 209 districts and 24 states in India. Ujjivan’s Gross Loan Book stand at ₹6,379.49 crore with a cumulative repayment rate of 96.72% as on March 31, 2017.

Ujjivan also runs a robust financial literacy program and community development & disaster relief programs for customers in collaboration with Parinaam Foundation which is a non-profit organization.

Web: www.ujjivan.com; www.ujjivansfb.in Twitter: [@UjjivanSFB](https://twitter.com/UjjivanSFB)

Safe Harbour:

Some of the statements in this document that are not historical facts are forward-looking statements. These forward-looking statements include our financial and growth projections as well as statements concerning our plans, strategies, intentions and beliefs concerning our business and the markets in which we operate. These statements are based on information currently available to us, and we assume no obligation to update these statements as circumstances change. There are risks and uncertainties that could cause actual events to differ materially from these forward-looking statements. These risks include, but are not limited to, the level of market demand for our services, the highly-competitive market for the types of services that we offer, market conditions that could cause our customers to reduce their spending for our services, our ability to create, acquire and build new businesses and to grow our existing businesses, our ability to attract and retain qualified personnel, currency fluctuations and market conditions in India and elsewhere around the world, and other risks not specifically mentioned herein but those that are common to industry.

For further information, please contact:

Ujjivan Financial Services	
For Media Queries: Ms. Asha Gopal +91 9769917314 asha.gopal@ujjivan.com	For Investor Queries: Ms. Mantasha Mizaj +91 80 40712121 mantasha.mizaj@ujjivan.com